

3/04/08 Moran and Kansas Delegation Ask Secretary of Defense to Suspend Tanker Contract

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WASHINGTON, D.C. - Congressman Jerry Moran and the Kansas delegation today asked Secretary of Defense Robert Gates to suspend the Air Force's new air refueling tanker contract with Northrop Grumman (NG)-European Aeronautic Defence and Space (EADS) until Congress can review the decision. On Friday, the Air Force announced it had selected the NG-EADS proposal over Boeing for the \$35 billion contract.

"Especially during this time when we are focusing on stimulating the U.S. economy, it makes no sense to outsource this multi-billion dollar contract to a foreign company instead of creating American jobs," Moran said.

On Wednesday, Moran will attend the House Appropriations Defense Subcommittee hearing where Members of Congress will question Air Force officials about the tanker contract. Moran is a senior member of the House Transportation and Infrastructure Committee where he serves on the Subcommittee on Aviation.

The text of the letter follows:

The Honorable Robert Gates

Secretary of Defense

1000 Defense Pentagon

Washington, D.C. 20301-1000

Dear Mr. Secretary:

As the Kansas Delegation, we request that the Department of Defense suspend the KC-45 Tanker contract until Congress has an ability to fully review this controversial decision. As you know, the decision to award a \$35 billion contract to the Northrop Grumman (NG)-European Aeronautic Defence and Space (EADS) Team has brought wide-spread concern and opposition.

During a time of economic uncertainty, it is baffling why the Department would decide to send at least 19,000 jobs overseas. Under the Boeing Team proposal, the State of Kansas alone stood to gain 3,800 jobs and \$145 million annually. 300-500 of these jobs were to be at the Wichita KC-X Tanker finishing center. However, with the NG-EADS proposal, the nations of France, Germany, Spain and the United Kingdom will most likely gain more jobs and investment than any state in the union. This proposal benefits European aerospace workers at the expense of American national and economic security.

In addition to being a blow to the American economy and the American worker, we have grave concern about the fairness and execution of the KC-X competition. Most egregiously, the Air Force did not account for the extensive foreign government subsidies and other non-accounted for costs that made the A-330 more competitive. By not accounting for these costs, it is clear that the ground-rules were biased against the domestic-manufacturer.

With regards to the execution of the actual KC-X competition, we have serious questions about how the Air Force scored each of the five bid criteria. Based on initial discussions with Air Force officials and media leaks, the Air Force's ratings of each competitor appear unfair, incomplete, and at times illogical. A thorough review is warranted and necessary.

Based on these concerns, we ask you to suspend forthwith the KC-45 Tanker contract. We look forward to your prompt reply.

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